

27 MAR 1964

25X1A

MEMORANDUM FOR: Mr. [REDACTED]
SUBJECT: Salary and Wage Structure

This is in response to your memorandum of 20 March concerning the same subject. The comments below are numbered to correspond to the questions stated in your memorandum.

1. We don't believe any basic changes in the Agency's salary and wage structure are needed. The job classification principles of the Classification Art are essentially sound and we have the latitude and flexibility to administer its standards with due regard to special conditions and factors applicable to Agency jobs. Using this system has the advantage also of facilitating comparison of our structure with that of other government agencies and, to a lesser degree, with industrial and commercial practices.

Use of the same pay schedules for CIA as those in use for most of the Federal government also has advantages. We have studied from time to time proposals for establishing our own pay schedules. Until the enactment of the Federal Salary Reform Act of 1962, there were perhaps some strong arguments for doing so to overcome some of the imbalances which had grown into the GS system over the years. However, the significant improvements provided by that Act have largely removed these -- granted, of course, that Congressional action to implement needed pay adjustments is forthcoming.

2. We have the authority to set hiring rates above the base of the grade either for a category of jobs which are hard to fill or in individual cases when a well-qualified candidate will not accept the normal entrance rate. We have used this authority when needed and have no evidence that we are not competitive in our recruitment.

3. We have no evidence that we are losing many able people because our salaries are not competitive. Among the professionals who leave the Agency, a significant number do go to other jobs at higher salaries. However, their statements concerning their reasons for leaving usually reflect some other factor(s) as influencing their decision to seek other jobs. The prospect of a salary increase, once their job search is underway, would understandably be a factor in their final decision to leave.

4. No.

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Emmett D. Echols
Director of Personnel

OD/Pers/ [REDACTED] 51h (26 March 1964)

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